Please note that this document is a translation of the official announcement that was released on October 5, 2011. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Summary of Consolidated Financial Statements for the First Nine Months of the Fiscal Year Ending November 30, 2011 (Japanese Accounting Standards)

October 5, 2011

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Scheduled date of filing of Quarterly Report: October 7, 2011
Start of distribution of dividends: －
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: No

(Note: All amounts are rounded down to the nearest million yen.)

1. Consolidated Operating Results for the First Nine Months of the Fiscal Year Ending November 30, 2011 (December 1, 2010 – August 31, 2011)

(1) Revenues and Income (cumulative) (Percentages represent change compared with the same period of previous fiscal year.)

	Revenues (¥ million)	Change (%)	Operating income (¥ million)	Change (%)	Ordinary income (¥ million)	Change (%)	Net income (¥ million)	Change (%)
Nine months ended August 31, 2011	16,277	(26.7)	1,765	(39.9)	1,128	(51.7)	662	(51.4)
Nine months ended August 31, 2010	22,199	(23.0)	2,936	(14.1)	2,338	(13.9)	1,364	5.7

	Earnings per share (¥)	Earnings per share (diluted) (¥)
Nine months ended August 31, 2011	1,451.22	－
Nine months ended August 31, 2010	3,214.56	－

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Book value per share (¥)
As of August 31, 2011	61,167	24,888	40.7	54,480.78
As of Nov. 30, 2010	62,682	24,455	39.0	53,532.16

(Reference) Equity: As of August 31, 2011: ¥24,888 million As of November 30, 2010: ¥24,455 million

2. Dividends

	Dividends per share (¥)				
	1Q-end	2Q-end	3Q-end	Year-end	Full year
Year ended Nov. 30, 2010	－	0.00	－	500.00	500.00
Year ending Nov. 30, 2011	－	0.00	－		
Year ending Nov. 30, 2011 (projected)				500.00	500.00

(Note) Corrections regarding current dividend forecasts during the period: No

3. Projected Results for the Fiscal Year Ending November 30, 2011 (December 1, 2010 - November 30, 2011)

(Percentages represent change compared with the same period of the previous fiscal year)

	Revenues (¥ million)	(%)	Operating income (¥ million)	(%)	Ordinary income (¥ million)	(¥ million)	Net income (%)	(¥ million)	Earnings per share (%)
Full year	25,242	(4.6)	2,237	29.6	1,346	67.7	685	62.6	1,501.00

(Note) Corrections regarding current consolidated forecast figures during the period: No

4. Other (Please refer to "Other" on page 5 of the attached documents for further information.)

(1) Changes in major subsidiaries during the period: No
Newly added: - Excluded: -
Note: Changes in specified subsidiaries affecting the scope of consolidation during the period.

(2) Application of simplified accounting methods and special accounting methods: Yes
Note: Application of simplified accounting method and special accounting methods in the preparation of quarterly consolidated financial statements.

(3) Changes in accounting rules, procedures, presentation methods, etc.
(a) Changes in consolidated accounting methods: Yes
(b) Changes other than (a) above No
Note: Changes in accounting rules, procedures, presentation methods, etc. for presenting quarterly consolidated financial statements described in "Changes in the Significant Accounting Policies for the Preparation of Quarterly Consolidated Financial Statements"

(4) Number of shares issued and outstanding (common stock)

(a) Number of shares issued and outstanding at end of period (including treasury stock)	As of Aug. 31, 2011	456,840 shares	As of Nov. 30, 2010	456,840 shares
(b) Treasury stock at end of period	As of Aug. 31, 2011	ー shares	As of Nov. 30, 2010	ー shares
(c) Average number of issued shares during the period:	Nine months ended Aug. 31, 2011	456,840 shares	Nine months ended Aug. 31, 2010	424,522 shares

(* Information regarding the implementation of quarterly review procedures)
The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, we have completed the review process for these consolidated statements.

(* Proper use of the earnings forecasts and other notes)
Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts due to a number of factors. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance (3) Qualitative Information Regarding the Consolidated Forecast" on page 5 of the attached documents for cautionary notes concerning assumptions for earnings forecasts and use of earnings forecasts.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Qualitative Information Regarding Consolidated Results

During the three months ended August 31, 2011(June 1, 2011 to August 31, 2011), personal spending, production and exports showed some signs of recovery, yet the Japanese economy was still in a tough situation due to the aftermath of the Great East Japan Earthquake. The unstable condition is likely to continue because of the restrictions on electric power supply caused by the accidents at the Fukushima Daiichi Nuclear Power Plant and the significant appreciation of the yen against the U.S. dollar.

In the real estate market where the Tosei Group operates, purchase and sales transactions were temporarily slowed down and the market contracted substantially. However, in the residential market, the closing rate for new condominiums for sale progressed steadily, supported by a firm demand even after the disaster. On the other hand, the office building market is still in a severe situation where there is a decline in rent prices.

In the real estate trading market during the three months from January 2011 to March 2011, the transaction value by listed companies increased by 20 % year on year to ¥788.3 billion mainly due to an increase in the property acquisitions by J-REIT and major real-estate companies. However, during the following period from April 2011 to June 2011, the transaction value dropped 40% year on year to ¥246.4 billion. The main reason was that acquisition value by J-REIT, which had been leading the real-estate market to recovery after the disaster, fell sharply.

In the market for condominiums for sale in the greater Tokyo area, the number of units for sale decreased for four consecutive months since April 2011. The total number of units supplied in the market during the first half of the fiscal year 2011 (January 2011 to June 2011), decreased approximately 10% to 18,198 due to the voluntary sales restraint by companies. Nevertheless, the condominium supply is expected to recover after fall this year, and the number of units supplied in the market during the second half (July 2011 to December 2011) is expected to increase 10% year on year to 26,810. The contract rate has been above 70%, which is an indication to distinguish peaks and troughs of the market, since 2010.

In the market for existing condominium units for sale in the greater Tokyo area, the number of contracts decreased for four consecutive months since April after the earthquake, but the rate of decline has been decreasing. In particular, the number of contracts in July 2011 decreased 5.1% year on year to 2,334. Also, the average unit price (adjusted to 70m^2) has been stable at around ¥30 million since the beginning of 2011, and in July, it stood at ¥ 29.75 million.

In the market for new detached houses for sale in the greater Tokyo area, the number of newly registered houses during the three months from June 2011 to August 2011 increased by 56.1% year on year to 12,984. Also, the average asking price in August 2011 increased by 3.6% year on year to ¥35.94 million.

In the market for securitized real estate as of June 30, 2011, the balance of assets for private placement fund under management increased by ¥0.2 trillion to ¥15.9 trillion from the previous survey (December 2010). The primary factor was that there were accelerated property acquisitions to expand assets under management against the backdrop of the improved financial environment. The balance of J-REIT also increased by ¥0.2 trillion to ¥8 trillion from the previous survey, while the balance of global funds (note) decreased by ¥0.1 trillion to ¥1.7 trillion. As a result, the total balance of assets under management in the market increased by ¥0.3 trillion to ¥25.6 trillion. The impact of the earthquake on the Japanese real estate industry is considered only temporary, but the problems relating to the nuclear power plant seem to have kept overseas investors away from investing in the properties in Japan.

In the market for leased office space in the central 5 wards of Tokyo, as of July 31, 2011, the average asking rent fell 3.67% year on year, to ¥17,225 per tsubo. The vacancy rate decreased for four consecutive months to 8.76% at the end of July 2011. Although it still remains high, there has been a sign of recovery. Leasing activities of new office buildings have also been progressing overall, and the number of buildings with full or high occupancy is gradually increasing.

The property management market continued to remain in a severe environment since there are advancing oligopoly, in which small and medium-sized companies are forced to downsize, and a continued trend for maintenance cost cutting by building owners and management associations.

In this operating environment, the Tosei Group continued to promote purchases and sales of residential properties that are in a strong demand. For the Revitalization Business, we concentrated on sales of condominiums in the Restyling Business and accelerated purchases of properties, aiming at the further growth of the Group. In the Development Business, the condominiums and the detached houses for sale have been delivered to buyers in order. Also, we actively conducted purchasing activities and acquired the lands for developing condominiums and detached houses. In addition, we strengthened our relationships with oversea investors and forged ahead to increase the balance of assets under management.

As a result, for three months ended August 31, 2011, segment revenues were ¥ 5,575 million (a decrease of 8.2% compared with the same period of the previous fiscal year), operating income was ¥655 million (a decrease of 27.8%), ordinary income was ¥478 million (a decrease of 31.5%), and net income was ¥281 million (a decrease of 32.2%).

As for the nine months ended August 31, 2011, segment revenues totaled ¥16,277 million (a decrease of 26.7%), operating income was ¥1,765 million (a decrease of 39.9%), ordinary income was ¥1,128 million (a decrease of 51.7%), and net income was ¥ 662 million (a decrease of 51.4%).

Note: Global funds are defined as private funds managed by foreign firms that have significant investment both in Japan and in oversea markets.

Segment results were as follows.

Revitalization Business

During the three months ended August 31, 2011, the Company sold 60 units through the Restyling Business, including units in Hilltop Yokohama Negishi, (Yokomana City, Kanagawa Prefecture), Estage Kaminoge (Setagaya Ward, Tokyo), and Renai Higashi Terao (Yokohama City, Kanagawa Prefecture). It also sold two buildings it had revitalized including UGH Sakuradai (Nerima Ward, Tokyo). As a result, segment revenues was ¥2,544 million and segment operating income was ¥297 million.

As for the nine months ended August 31, 2011, segment revenues totaled ¥9,033 million and segment operating income was ¥1,391 million.

Development Business

During the three months ended August 31, 2011, the Company sold 28 units at THE Palms Mitaka Vivace (Mitaka City, Tokyo) and 4 detached houses at Palms Court Mitaka Adagio (Mitaka City, Tokyo). As a result, segment revenues were ¥1,270 million and segment operating income was ¥234 million.

As for the nine months ended August 31, 2011, segment revenues totaled ¥ 1,658 million and segment operating loss was ¥362 million. One of the contributing factors for the operating loss is that the Company reduced the book value of certain properties by ¥600 million in the second quarter of the fiscal year under the Accounting Standard for Measurement of Inventories.

Rental Business

During the three months ended August 31, 2011, the Company endeavored to maintain occupancy rates while vacancy rates remain high due to the prolonged recession. As a result, the segment revenues were ¥604 million and segment operating income was ¥289 million.

As for the nine months ended August 31, 2011, segment revenues totaled ¥1,828 million and segment operating income was ¥919 million.

Fund Business

During the three months ended August 31, 2011, the Company earned asset management fee stably. As a result, segment revenues were ¥224 million and segment operating income was ¥69 million.

As for the nine months ended August 31, 2011, segment revenues totaled ¥1,179 million and segment operating income was ¥603 million. As of August 31, 2011, the balance of assets under management (note) totaled ¥249,547 million.

Note: The balance of assets under management includes the balance of assets which are subject to consulting contracts, etc.

Property Management Business

During the three months ended August 31, 2011, the number of properties such as office buildings, parking lots, and schools the Company managed declined by 4 year on year, to 310 as of July 31, 2011, while the number of managed condominiums and rental apartments increased by 13 year on year, to 194 as of July 31, 2011. Consequently, the total number of properties the Company managed increased by 9 year on year, to 504.

As a result, segment revenues were ¥887 million and segment operating income was ¥34 million.

As for nine months ended August 31, 2011, segment revenues totaled ¥2,442 million and segment operating income was ¥75 million.

Alternative Investment Business

During the three months ended August 31, 2011, this segment focused on the collection of debt and the leasing of properties which the Company acquired through like-kind exchanges. As a result, the segment earned interest income and revenues from the sale of receivables, as well as rental income from real estate acquired through like-kind exchanges. Consequently, segment revenues came to ¥44 million and the operating income was ¥15million.

As for the nine months ended August 31, 2011, segment revenues totaled ¥134 million and operating income was ¥4 million.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets as of August 31, 2011 were ¥61,167 million, a decrease of ¥1,515 million from the end of the previous fiscal year. Primary factors include a change in inventory as a result of property sales and purchases in the revitalization and development businesses.

Total liabilities declined ¥1,948 million to ¥36,278 million. Primary factors included a change in borrowings from financial institutions due to property purchases.

Net assets increased ¥433 million to ¥24,888 million. Primary factors included an increase in retained earnings and payments of dividends. As a result, the equity ratio became 40.7%.

Cash Flows

Cash and cash equivalents as of August 31, 2011 totaled ¥6,641 million, an increase of ¥103 million from May 31, 2011. Primary factors included income before income taxes of ¥478 million.

Cash and cash equivalents decreased by ¥180 million from the end of the previous fiscal year.

Cash flow conditions and reasons for fluctuations during the three months ended August 31, 2011 are as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities in the three months ended August 31, 2011 stood at ¥2,234 million (net cash used during the same period in the previous fiscal year was ¥1,069 million), primarily reflecting ¥478 million in income before income taxes and a ¥1,412 million decrease in inventories as a result of the sales of properties in the revitalization and development businesses.

Net cash provided by operating activities during the first nine months was ¥2,995 million (down 33.8% compared with the same period of the previous fiscal year).

Cash Flows from Investing Activities

Net cash provided by investing activities in the three months ended August 31, 2011 came to ¥2 million (down

70.8% compared with the same period of the previous fiscal year).

Net cash used in investing activities during the first nine months was ¥200 million (net cash provided during the same period in the previous fiscal year was ¥41 million).

Cash Flows from Financing Activities

Net cash used in financing activities during the three months ended August 31, 2011 totaled ¥2,134 million. (net cash provided during the same period of the previous fiscal year was ¥498 million). The main contributing factors included ¥2,680 million in repayments of long-term debt, which offset ¥547 million in proceeds from long-term debt.

Net cash used in financing activities during the first nine months was ¥2,975 million (up 13.9% compared with the same period of the previous fiscal year).

(3) Qualitative Information Regarding the Consolidated Performance Forecasts

The consolidated performance forecasts of the Group remain unchanged from the figures announced on June 1, 2011.

The projections are forward-looking statements based on currently available information and assumptions judged to be valid, and therefore contain elements of uncertainty. Actual performance may differ from projections due to changes in operating conditions.

2. Other

(1) Changes in Major Subsidiaries During the Period

No

(2) Application of Simplified Accounting Methods or Methods specifically for the Quarterly Consolidated Financial Statements

1. Valuation of Inventory

   Inventory write-down is based on the estimated net sale of inventories upon which profit margins have declined significantly.

2. Method of Calculating Corporate Taxes, Deferred Tax Assets and Deferred Tax Liabilities

   The calculation of corporate income taxes is limited to significant taxable or tax-exempt items. Judgments regarding the recoverability of deferred tax assets have been made based on methods using performance projections and tax planning that has been applied in the previous fiscal year because The Group has confirmed that there have been no significant changes in the business environment or temporary differences since the end of the previous fiscal year.

(3) Overview of Changes in Accounting Rules, Procedures, Presentation Methods, etc.

1. Change in Accounting Standards

   Application of accounting standards for asset retirement obligations

   Effective from the first quarter of the fiscal year under review, the Group has adopted the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).

   As a result, operating income and ordinary income each decreased by ¥202 thousand, and because the Company recorded a loss on adjustment for changes of accounting standard for asset retirement obligations of ¥19,932 thousand as extraordinary loss, income before income taxes decreased by ¥20,135 thousand.

2. Changes in Presentation

Based on the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of December 26, 2008), the Group applies the "Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5 of March 24, 2009). As a result, "Income before minority interests" is included in the consolidated financial statements for the first nine months of the fiscal year and the third quarter of the fiscal year ending November 30, 2011.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen, rounded down to the nearest thousand)

	As of Aug. 31, 2011	As of Nov. 30, 2010
ASSETS		
Current assets		
Cash and deposits	6,947,182	7,127,425
Notes and accounts receivable	429,524	415,791
Marketable securities	10,000	10,000
Real estate for sale	30,412,904	27,197,076
Real estate for sale in progress	5,737,514	10,279,685
Purchased receivables	81,896	86,467
Other	722,251	959,552
Allowance for doubtful accounts	(5,498)	(16,434)
Total current assets	44,335,775	46,059,565
Fixed assets		
Tangible fixed assets		
Buildings and structures	5,331,748	5,140,797
Accumulated depreciation	(915,490)	(827,060)
Buildings and structures (net)	4,416,257	4,313,737
Land	10,175,285	10,051,371
Other	125,826	117,628
Accumulated depreciation	(89,553)	(83,869)
Other (net)	36,273	33,759
Total Tangible fixed assets	14,627,817	14,398,868
Intangible fixed assets		
Other	74,346	64,609
Total intangible fixed assets	74,346	64,609
Investments and other assets	2,129,329	2,159,573
Total fixed assets	16,831,493	16,623,050
Total assets	61,167,268	62,682,616

(Thousands of yen, rounded down to the nearest thousand)

	As of Aug. 31, 2011	As of Nov. 30, 2010
LIABILITIES		
Current liabilities		
Notes and accounts payable	689,475	368,162
Long-term debt due within one year	9,642,412	10,823,561
Income taxes payable	44,340	39,092
Accrued bonuses to employees	77,469	110,113
Other	1,553,310	1,133,254
Total current liabilities	12,007,008	12,474,183
Long-term liabilities		
Long-term debt	21,873,180	23,438,898
Accrued severance costs	127,787	108,927
Accrued retirement benefits to officers	306,024	301,253
Negative goodwill	372	1,490
Other	1,963,895	1,902,230
Total long-term liabilities	24,271,261	25,752,800
Total liabilities	36,278,269	38,226,983
NET ASSETS		
Shareholders' equity		
Common stock	5,454,673	5,454,673
Additional paid-in capital	5,538,149	5,538,149
Retained earnings	13,896,589	13,462,034
Total shareholders' equity	24,889,412	24,454,857
Valuation, foreign currency and other adjustments		
Unrealized gain (loss) on securities	(413)	774
Total valuation, foreign currency and other adjustments	(413)	774
Total net assets	24,888,998	24,455,632
Total liabilities and net assets	61,167,268	62,682,616

(2) Quarterly Consolidated Statements of Operations

(For the Nine Month Period)

(Thousands of yen, rounded down to the nearest thousand)

	Nine months ended August 31, 2010 (Dec.1, 2009-August 31, 2010)	Nine months ended August 31, 2011 (Dec.1, 2010-August 31, 2011)
Revenues	22,199,294	16,277,113
Cost of revenues	17,277,665	12,264,941
Gross profit	4,921,628	4,012,171
Selling, general and administrative expenses	1,985,433	2,246,295
Operating income	2,936,195	1,765,875
Non-operating income		
Interest income	8,136	2,600
Dividend income	2,168	2,217
Amortization of negative goodwill	1,732	1,118
Other	12,754	20,402
Total non-operating income	24,791	26,338
Non-operating expenses		
Interest expense	599,860	662,497
Stock issuance expenses	11,261	—
Other	11,158	1,107
Total non-operating expense	622,281	663,605
Ordinary income	2,338,704	1,128,609
Extraordinary gains		
Gain on sale of investment securities	1,184	—
Total extraordinary gains	1,184	—
Extraordinary losses		
Loss on retirement of fixed assets	4,688	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	19,932
Total extraordinary losses	4,688	19,932
Income before income taxes	2,335,200	1,108,676
Current income taxes	15,517	41,448
Deferred income taxes	955,030	404,252
Total income taxes	970,548	445,701
Income before minority interests	—	662,974
Net income	1,364,652	662,974

(For the Three Month Period)

(Thousands of yen, rounded down to the nearest thousand)

	Three months ended August 31, 2010 (June 1, 2010-August 31, 2010)	Three months ended August 31, 2011 (June 1, 2011-August 31, 2011)
Revenues	6,073,827	5,575,518
Cost of revenues	4,474,497	4,199,761
Gross profit	1,599,330	1,375,756
Selling, general and administrative expenses	691,409	720,099
Operating income	907,920	655,657
Non-operating income		
Interest income	2,898	673
Dividend income	874	944
Amortization of negative goodwill	372	372
Other	4,180	6,971
Total non-operating income	8,326	8,962
Non-operating expenses		
Interest expense	208,581	185,990
Stock issuance expenses	1,605	—
Other	7,042	148
Total non-operating income	217,229	186,138
Ordinary income	699,017	478,480
Income before income taxes	699,017	478,480
Current income taxes	6,393	14,952
Deferred income taxes	276,838	181,736
Total income taxes	283,232	196,688
Income before minority interests	—	281,791
Net income	415,785	281,791

(3) Quarterly Consolidated Statements of Cash Flows

Thousands of yen, rounded down to the nearest thousand

	Nine months ended August 31, 2010 (Dec.1, 2009-August 31, 2010)	Nine months ended August 31, 2011 (Dec.1, 2010-August 31, 2011)
Cash flows from operating activities		
Income before income taxes	2,335,200	1,108,676
Depreciation	271,245	255,330
Increase (decrease) in allowances	70,456	76,861
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	19,932
Interest and dividend income	(10,305)	(4,817)
Interest expenses	599,860	662,497
Loss on retirement of tangible fixed assets	4,688	—
Decrease (increase) in notes and accounts receivable	(102,274)	(110,686)
Decrease (increase) in inventories	2,919,314	926,626
Increase (decrease) in notes and accounts payable	(346,816)	321,312
Increase (decrease) in accrued consumption taxes	95,452	89,854
Increase (decrease) in lease and guarantee deposits received	(250,418)	37,562
Other	(406,575)	302,303
Subtotal	5,179,829	3,685,453
Receipts of interest and dividends	12,084	4,085
Payments of interest	(597,019)	(671,444)
Payments of income taxes	(71,480)	(22,920)
Net cash provided by (used in) operating activities	4,523,414	2,995,174
Cash flows from investing activities		
Decrease (increase) in time deposits	(20,000)	—
Purchases of tangible fixed assets	(19,653)	(45,299)
Purchases of intangible fixed assets	(3,580)	(31,787)
Purchase of investment securities	—	(153,350)
Proceeds from sales of investment securities	3,050	—
Payments of loans receivables	(48,000)	—
Other	129,341	30,301
Net cash provided by (used in) investing activities	41,157	(200,135)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,455,500	—
Proceeds from long-term debt	9,528,900	5,942,000
Repayments of long-term debt	(15,361,868)	(8,688,866)
Proceeds from new stock issue	1,965,813	—
Cash dividends paid	(198,656)	(227,239)
Other	(1,175)	(1,175)
Net cash provided by (used in) financing activities	(2,611,487)	(2,975,281)
Net increase (decrease) in cash and cash equivalents	1,953,084	(180,243)
Cash and cash equivalents at beginning of the period	7,890,310	6,821,288
Cash and cash equivalents at end of the period	9,843,394	6,641,045

(4) Notes on Going-Concern Assumption

None

(5) Segment Information

① Business Segment Information

Nine months ended August 31, 2010 (December 1, 2009 to August 31, 2010)

(Thousands of yen, rounded down to the nearest thousand)

	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total	Eliminations or Corporate	Consolidated
Revenues									
(1) Outside Customers	7,053,220	10,206,547	1,975,032	886,356	1,950,688	127,448	22,199,294	—	22,199,294
(2) Intersegment and Transfers	—	—	34,725	43,584	243,592	—	321,902	(321,902)	—
Total	7,053,220	10,206,547	2,009,757	929,941	2,194,280	127,448	22,521,196	(321,902)	22,199,294
Operating Income	440,604	1,772,540	1,011,439	422,336	97,281	36,346	3,780,549	(844,354)	2,936,195

Three months ended August 31, 2010 (June 1, 2010 to August 31, 2010)

(Thousands of yen, rounded down to the nearest thousand)

	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total	Eliminations or Corporate	Consolidated
Revenues									
(1) Outside Customers	2,116,283	2,322,427	606,236	244,190	742,945	41,744	6,073,827	—	6,073,827
(2) Intersegment and Transfers	—	—	12,222	9,638	92,486	—	114,347	(114,347)	—
Total	2,116,283	2,322,427	618,459	253,828	835,431	41,744	6,188,174	(114,347)	6,073,827
Operating Income	188,266	613,623	276,674	97,760	41,094	13,743	1,231,163	(323,243)	907,920

Notes:

1. Method of Business Classification

Businesses are based on the classifications used by internal management.

2. Principal Businesses of Each Segment

Segment	Principal Business
Revitalization Business	The Tosei Group acquires office buildings, commercial facilities, rental condominiums and other properties whose asset value has declined, increases their value through "value-up plans" that best match local characteristics and tenant needs, and resells them to investors, real estate funds, and individual end-users as revitalized real estate. As "the Restyling Business", the Tosei Group acquires income-producing condo complexes and sells them as condominiums for sale to end-users after increasing the value of common and exclusive areas. (the Group continues to hold and manage pre-occupied units

	for rental properties)
Development Business	Focusing on the 23 wards of Tokyo, the Group studies factors relating to properties it purchases including the local area, site characteristics, use, demand, rent levels and selling prices to maximize their value through development and new construction before selling them to investors, real estate funds, end-users and other customers.
Rental Business	The Tosei Group owns office buildings, residential and commercial properties, and parking lots primarily in the 23 wards of Tokyo, which it rents to end-users. By gathering information on tenants' needs, it enhances "value-up plans" in the revitalization business and improves asset management capabilities in the fund business.
Fund Business	The Tosei Group conducts business as a Type 2 financial instrument business operator, as well as an advisor and agency, as defined by the Financial Instruments and Exchange Law. In accordance with the aforementioned law, the Group buys, sells and brokers entrusted properties that match diverse needs of investors and provides advice and services on acquisition, management and disposal of properties. The Group also provides asset management and discretionary investment management services.
Property Management Business	The Tosei Group does comprehensive property management to meet a variety of real estate needs, including administration, facility management, cleaning and security for condominium complexes and office buildings and facilities, as well as utilities repair work for exclusive areas in condominiums complexes and office buildings, and office interior renovation contracting.
Alternative Investment Business	The Tosei Group invests in the real-estate collateralized loans and collects debt or acquires mortgaged properties as payment in kind. It also acquires properties through M&As of companies with real estate holdings and other companies associated with real estate and applies the Group's know-how to increase the value of acquired properties before selling them.

② Geographic segment information

Three months ended August 31, 2010 (June 1, 2010 to August 31, 2010) and nine months ended August 31, 2010 (December 1, 2009 to August 31, 2010)

Geographical segment information is omitted because the Tosei Group does not have any consolidated subsidiaries or offices in countries or regions other than Japan.

③ Overseas sales

Three months ended August 31, 2010 (June 1, 2010 to August 31, 2010) and nine months ended August 31, 2010 (December 1, 2009 to August 31, 2010)

Overseas sales information is omitted because the Tosei Group has no overseas sales.

[Segment Information]

1. **Summary of reporting segments**

The Group's reportable segments are components of the Company about which separate financial information is available that is evaluated regularly by the Board of Directors to determine distribution of management resources and assess performance. The Group's head office draws up comprehensive domestic strategies for each segment and the Group conducts business activities accordingly. Consequently, the Group is made up of different segments, as determined by head office, and has six reportable segments: the revitalization business, the development business, the rental business, the fund business, the property management business and the alternative investment business. In the revitalization business, the Group increases the

value of properties whose asset value has declined and resells them. In the development business, the Group sells condominium units and detached houses in lots to private customers and sells rental apartments and office buildings to investors. In the rental business, the Group rents office buildings and condominiums. The fund business mainly provides REIT fund asset management services. The property management business provides comprehensive property management services. In the alternative investment business, the Group acquires real estate collateralized loans, collects debt, and sells properties acquired as payment in kind.

2. Information about segment sales and income

Nine months ended August 31, 2011 (December 1, 2010 to August 31, 2011)

(Thousands of yen, rounded down to the nearest thousand)

	Reportable segments							Adjustment (Note)	Income According to Quarterly Consolidated Statement of Operations
	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total		
Revenues									
Outside Customers	9,033,574	1,658,736	1,828,209	1,179,939	2,442,172	134,481	16,277,113	—	16,277,113
Intersegment and Transfers	—	—	36,016	15,092	386,486	—	437,594	(437,594)	—
Total	9,033,574	1,658,736	1,864,225	1,195,031	2,828,658	134,481	16,714,708	(437,594)	16,277,113
Segment Operating Income (Loss)	1,391,648	(362,235)	919,990	603,208	75,942	4,757	2,633,312	(867,436)	1,765,875

Notes: 1. The downward adjustment of segment operating income (loss) by ¥867,436 thousand includes the elimination of intersegment transactions of ¥20,796 thousand and general expenses that cannot be allocated to any particular reportable segment of ¥846,640 thousand. General expenses mainly consist of SG&A expenses of the parent company that are not attributable to any particular reportable segment.

2. Segment operating income (loss) is adjusted with income according to the Quarterly Consolidated Statements of Operations.

Three months ended August 31, 2011 (June 1, 2011 to August 31, 2011)

(Thousands of yen, rounded down to the nearest thousand)

	Reportable segments							Adjustment (Note)	Income According to Quarterly Consolidated Statement of Operations
	Revitalization Business	Development Business	Rental Business	Fund Business	Property Management Business	Alternative Investment Business	Total		
Revenues									
Outside Customers	2,544,118	1,270,513	604,383	224,183	887,409	44,910	5,575,518	—	5,575,518
Intersegment and Transfers	—	—	11,794	4,166	186,697	—	202,658	(202,658)	—
Total	2,544,118	1,270,513	616,177	228,349	1,074,107	44,910	5,778,176	(202,658)	5,575,518
Segment Operating Income	297,134	234,031	289,599	69,208	34,349	15,508	939,832	(284,175)	655,657

Notes: 1. The downward adjustment of segment operating income by ¥284,175 thousand includes the elimination of intersegment transactions of ¥15,050 thousand and general expenses that cannot be allocated to any particular reportable segment of

¥269,124 thousand. General expenses mainly consist of SG&A expenses of the parent company that are not attributable to any particular reportable segment.

2. Segment operating income is adjusted with income according to the Quarterly Consolidated Statements of Operations.

(Additional Information)

From the first quarter of the fiscal year ending November 30, 2011, the Group applies the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 of March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 of March 21, 2008).

(6) Significant Changes in Shareholders' Equity

None

Reference Material
-Inventory and Assumed Revenues-

Please note that this is an excerpt from our presentation material of
Financial Results for the First Nine Month ended August 31, 2011

Note:
This is an excerpt from our presentation material of Financial Results for First Nine Months ended August 31, 2011 (released on October 5, 2011).
English translation (summarized) will be updated upon completion.

TOSEI CORPORATION

Inventories (Consolidated)

(¥ million)

Book Value of Inventories As of August 31, 2011	36,150

Assumed Revenues	50,573

Breakdown of Inventories Balance

By Property Type	Inventory				Assumed Revenues		Total Assumed Revenues
	Revitalization (including Alternative Investment)	Number of Properties	Development	Number of Properties	Revitalization (including Alternative Investment)	Development	
Office Buildings	8,070	11	8,646	3	10,036	8,746	18,782
Condominiums	13,497	12	4,583	6	17,092	12,805	29,898
Detached Houses	-	-	216	3	-	676	676
Others	1,136	5	-	0	1,216	-	1,216
Total	22,704	28	13,446	12	28,345	22,228	50,573

* Assumed revenues above are based on Tosei's estimates using information available as of August 31, 2011. Actual amounts are subject to various factors and may vary significantly from the estimates.

* Inventories above represent carrying value as of August 31, 2011 and may increase due to factors including expenses to add value or construction expenses.